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to clothe it with the rate-making power, in perfect confidence that "substantial justice will be done . . . to an extent hitherto unknown" — a proposition that is at least questionable. He supports the commission in its evident wish to undertake the herculean task of elaborating a single classification for the entire country; advocates the supervision of railway accounting by giving the commission access to the books of railways; approves the plan in the Cullom Bill for expediting cases in the courts, which provides that the testimony submitted by the commission shall constitute the record upon which the case shall be heard, and supports the demand now so general that pooling shall be legalized under authority of the commission. Students of the railway problem are under deep obligation to Professor Meyer for the results of what must have been a wearisome task, the success of which lies in the painstaking thoroughness with which it has been accomplished.

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The Rise and Progress of the Standard Oil Company. By GILBERT HOLLAND MONTAGUE. New York and London, Harper and Brothers, 1903. — 143 pp.

In his study of the Standard Oil Company, first published in the *Quarterly Journal of Economics* (February, 1902; February, 1903), Mr. Montague approaches the subject from the point of view of railway "economics." The period 1870-1880 was one of intense competition among railways; and the discriminating rates, of which shippers possessing strategic advantages were able to avail themselves, served as a basis for the future prosperity of many industrial enterprises, among them the Standard Oil Company. What Mr. Montague attempts to do is to show why the railroads singled out the Standard Oil Company as the recipient of such favors as probably no other enterprise has ever enjoyed.

In 1870, before the Standard Oil Company had secured any special favors from the railroads, it was a thriving enterprise, producing about four per cent of the refined oil of the country. So far as concerns size of plant or efficiency of equipment, it cannot be said to have been notably in advance of some of its competitors. Seven years later it controlled ninety-five per cent of the total output of refined oil. The cause of this extraordinary development is well known: discriminations in freight rates, enabling the Standard Oil Company to ruin its competitors one by one, or to force them to sell at its own price. Mr.

Montague points out that Cleveland, where the company began its operations, was exceptionally well situated with respect to transportation. Not only were the railroads actively competing among themselves, but water competition served to force rates down even lower than railroad wars would have made them. Hence the railroads could be compelled to accept terms unfavorable to themselves as well as to the competitors of the Standard Oil Company. This will explain the notorious contract between the railroads and the South Improvement Company, whereby drawbacks were granted to the latter not only on its own shipments but on those of its competitors.

The railroads were accustomed to discriminate in favor of certain shippers; the Standard Oil Company could force them to discriminate in its favor, and did so. That was "business," all will agree. Mr. Montague appears to regard it as economically and ethically justifiable as well. "Such were the economic grounds on which to judge this [the South Improvement] contract. Popular judgment, however, was much less deliberate" (p. 28). Absurd as it seems to Mr. Montague, the competitors of the Standard Oil Company became quite excited when they learned of this contract, whereby they were each and all to pay tribute to their enemy. Public opinion, unenlightened by "deliberate" economic analysis, condemned the plan, and forced the railways to repudiate their contracts; not long afterward the charter of the South Improvement Company was annulled. In the meantime, however, it had served an important purpose, as we learn from other sources than the book under review, for, armed with a contract meaning ruin for its competitors, the Standard Oil Company proceeded rapidly to absorb the latter.

It would perhaps be unjust to say that Mr. Montague deliberately sets out to apologize for the Standard Oil Company. Yet it is difficult to account for the mental attitude of a student of economics who fails to discover anything contrary to public policy in the practice of wholesale discriminations, and who regards the success of a company built up largely through such discriminations as the result of economic superiority alone. Did Mr. Montague know anything about the methods adopted by the Standard Oil Company in its war with the Tidewater Pipe Line Company (mentioned on page 86)? If so, why was not the incident treated with candor? A more serious fault, is the author's failure to verify statements taken doubtless from untrustworthy sources. On page 97 mention is made of an agreement between the Standard Oil Company and the receiver of the Cleveland and Marietta Railway, by the terms of which the Standard was to receive drawbacks not only on its own shipments but on those of its competitors:

The Standard Oil Company never carried this contract through, but sent it back to its manager with instructions to end the arrangement and refund to the shippers the amount of these wrongful rebates.

As a fact, the rebates were collected between March 30 and April 30, 1885, on the oil of Mr. George Rice, a competitor of the Standard. The total amount of these rebates was \$340. On October 17, 1885, Mr. Rice filed an application to have the receiver of the railway report whether he was being discriminated against. Twelve days later the Standard agent at Marietta received a check from the company for \$340, which was duly paid over to Mr. Rice. The reader will judge whether it was a twinge of corporation conscience, or the pending investigation, which resulted in the disgorging of the "wrongful rebates."

The limits of a review do not permit the pointing out of other inaccuracies in statement, of which the reviewer has noted not a few. While the value of the book is thereby seriously impaired, the author is nevertheless to be commended for his effort to correlate the history of the Standard Oil Company with the railway history of which it is in one aspect an incident.

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The Life of William Ewart Gladstone. By JOHN MORLEY. The Macmillan Co., New York and London, 1903. — Three volumes, 661, 666, 641 pp.

That the qualifications of the author for the treatment of this subject are in many respects of the highest order goes without saying. His mastery of English prose style, his broadly critical temper, the learning and insight which he has shown in his earlier biographical and critical studies, adequately vouch for the literary success of the work. Another group of qualifications of special value have their origin in the intimate acquaintance which existed between the author and Mr. Gladstone during the later years of that statesman's life, and in the prominent part which Mr. Morley himself has played in the events of the last quarter of a century. Finally, Mr. Morley was made Gladstone's literary executor, and by virtue of that position had access to the great mass of his private papers, a collection which in volume far exceeds what is common even among statesmen. Many of Gladstone's correspondents, also, placed letters which they had received from him in the hands of the author. Not the least interesting chapter in